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Industrial Development Board

Resumed eighth session
Vienna, 23 August 1991
Item 11 (e) of the agenda

Programme and Budget Committee

Resumed seventh session (continued)
Vienna, 23 August 1991
Item 10 of the agenda

PROGRAMME AND BUDGETS, 1992-1993

Computerization programme of UNIDO

Progress report by the Director-General

Introduction

1. The present document is presented in response to Industrial Development Board decision IDB.8/Dec.35 paragraph (i) which requested the Director-General to report to the resumed eighth session of the Board on progress made in respect of the computerization programme of UNIDO.

I. MEETING OF THE PROJECT LIAISON COMMITTEE

2. In compliance with paragraphs (f), (g) and (h) of Board decision IDB.8/Dec.35, the Project Liaison Committee (PLC) met on 31 July 1991. The outcome of the meeting, as can be seen from annex I to the present document, was the recommendation by the Project Liaison Committee that the Secretariat adopt the programme in option 1 (PBC.7/CRP.13, section 3.1.1) proposed by the consultants, which was found by the PLC to be "technically sound and the most suitable and cost-effective programme for computerization at UNIDO that can be recommended at this time" (see annex I).

3. As indicated in the reply of the independent experts to the tasks of the PLC contained in annex II to the present document, although they themselves had not been involved, and had elected not to be involved, in the negotiations with the main supplier or other vendors, the experts recognized that good results had already been obtained in those negotiations. Negotiations with the main supplier were completed concurrent with the decision of the PLC on 31 July 1991. The outcome of those negotiations will be reflected in an addendum to the present document.

II. ACTION REQUIRED OF THE BOARD

4. The Board may wish to take note of the findings of the Project Liaison Committee in respect of the technical suitability and cost effectiveness of the EDP programme proposed by the consultants and take into consideration the recommendations contained therein when approving the revised programme and budgets, 1992-1993 (IDB.8/8/Rev.2-PBC.7/10/Rev.2).

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Annex I

OUTCOME OF THE PROJECT LIAISON COMMITTEE

Vienna, 31 July 1991

Dear Sir,

The Project Liaison Committee (PLC) met on July 31 1991 to consider further the options for the UNIDO EDP programme as requested in IDB.8/Dec.35, paragraphs (f), (g) and (h).

In the intervening period, the members of the PLC have discussed these options extensively. Touche Ross have now produced further appendices to their report elaborating these discussions and copies of the new Appendices (VII and VIII), together with a revised version of Appendix I, are attached.

Having considered these changes and additions, it is the unanimous conclusion of the Committee that:

- Option 1, proposed by Touche Ross in their Draft Final Report, is technically sound and the most suitable and cost-effective programme for computerization at UNIDO that can be recommended at this time;

- The negotiations, as reported to the Committee, conducted by the secretariat over five sessions with IBM, achieved a favourable financial outcome.

We therefore recommend that the secretariat adopt the programme proposed in the Touche Ross report.

Yours faithfully
Members of the Project Liaison Committee

(Signed)	(Signed)	(Signed)
John Greening	Bernard Adamczewski	Frederic Hassani
(Signed)	(Signed)	(Signed)
Bernard Lacrosse	Hernan Marin Guzman	Charles S. Warner

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Annex II

REPLY OF THE INDEPENDENT EXPERTS TO THE TASKS SET FOR THE PROJECT LIAISON COMMITTEE IN IDB.8/L.37*

31 July 1991

We have examined existing proposals and observations and have reviewed a revised draft report of the consultants (IDB.8/L.37,* paragraph G). Messrs. Dasgupta and Martinez, who were unable to attend our meeting, submitted written contributions. Their conclusions are in accord with ours. Mr. Hata confirmed by fax and phone that although unable to attend he also agreed with these conclusions.

In view of the additional information provided and new arguments put forward in appendix VII of the report of the Consultants [PBC.7/CRP.13/Add.2], we agree that the Touche Ross proposal is the most suitable and cost-effective one available to UNIDO at this time (IDB.8/L.37,* paragraph F). The extensive exchange of views and additional work undertaken by both ourselves and Touche Ross greatly strengthened our confidence in the validity of the Touche Ross proposal. Appendix VII also lays down additional plans previously not fully developed.

While we have not been involved in negotiations with IBM or other vendors and understand that we shall not be involved, we have been told that good results have already been obtained (IDB.8/L.37,* paragraph H).

(Signed)	(Signed)	(Signed)
B. Adamczewski	B. Lacrosse	F. Hassani

* Document IDB.8/L.37 was superseded by decision IDB.8/Dec.35 (GC.4/4).